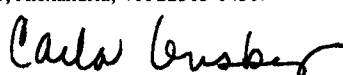


**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

<p>FORT JAMES OPERATING COMPANY and GEORGIA-PACIFIC CORPORATION,</p> <p align="center">Petitioners,</p> <p>v.</p> <p>BRAWNY PLASTICS, INC.,</p> <p align="center">Registrant.</p>	<p>REGISTRATION NO. 0940243</p> <p>MARK: BRAWNY</p> <p>CANCELLATION NO. 92044395</p> <p>I hereby certify that on April <u>16</u>, 2005, this paper is being deposited with the U.S. Postal Service by "Express Mail Post Office to Addressee" service with Express Mail Label No. ED027952328US for delivery to the Trademark Trial and Appeal Board, P.O. Box 1451, Alexandria, VA 22313-1451.</p> <p align="center"> Carla Ousby</p>
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**MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM FOR WHICH  
RELIEF CAN BE GRANTED PURSUANT TO FED.R.CIV.P. 12(b)(6) ; AND  
FAILURE TO JOIN AN INDISPENSABLE PARTY PURSUANT TO  
FED.R.CIV.P. 12(b)(7): MEMORANDUM OF POINTS AND AUTHORITIES IN  
SUPPORT THEREOF**

Applicant Brawny Plastics, Inc. ("BPI") and NexTep, Inc. ("NexTep") hereby move to dismiss this Cancellation proceeding for Petitioner's failure to state a claim on which relief be granted pursuant to Federal Rule of Civil Procedure 12(b)(6), or in alternative, failure to join a necessary party to this proceeding pursuant to Federal Rule of Civil Procedure 12(b)(7).

**I. BACKGROUND**

**A. Factual Background**

NexTep is a Nevada corporation with its principal place of business located in Reno, Nevada. April 15, 2005 Declaration of Matthew D. Francis ("Francis Decl."), § 2. NexTep is in the business of developing, manufacturing, marketing, and selling innovative household goods, which include polyethylene bags and trash cans. *Id.*

NexTep is the owner of United States Federal Trademark Registration No. 

0940243 (“‘243 Reg.”) for the trademark “Brawny” in International Class 20 for polyethylene bags. Francis Decl., § 3, Exhibit B. NexTep was assigned all rights, title, and interest in the ‘243 Reg. by BPI on August 6, 2003 via a “Trademark Sale, Assignment and License” agreement. Francis Decl., § 3, Exhibit C. This assignment was subsequently recorded in the United States Patent and Trademark Office (“PTO”). Francis Decl., § 3, Exhibit D.

**B. Procedural Background**

On or about March 28, 2005, Petitioners filed their Petition for Cancellation (“Petition”) to cancel the ‘243 Reg. *See* Cancellation No. 92044395. Francis Decl., § 4. The Petition wrongfully names BPI as the Registrant, since NexTep is the owner of record for the ‘243 Reg. *Id.*, *see* Petition, p. 1. The basis for the Petition is that NexTep’s predecessor BPI allegedly made fraudulent statements to the PTO regarding its use of the Brawny mark, and that the assignment to NexTep of the ‘243 Reg. was a sham transaction “in contravention of the Lanham Act.” *Id.*, p. 5.

On April 14, 2005, NexTep filed a declaratory judgment action in the United States District Court for the District of Nevada. Francis Decl., § 5, Exhibit A, pp. 1-6. In the Nevada Action, NexTep asked the Court to declare, among other things, that its rights in the “Brawny” mark are superior to Opposers’ alleged rights, and that NexTep’s use of that mark does not infringe any of Opposers’ alleged rights. Francis Decl., § 5, Exhibit A, pp. 5-6. Further, NexTep requested that the Court declare that the assignment of the ‘243 Reg. was valid. Francis Decl., § 5, Exhibit A, p. 6.

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## **II. ARGUMENT**

### **A. THIS PETITION SHOULD BE DISMISSED FOR FAILURE TO STATE A CLAIM FOR WHICH RELIEF CAN BE GRANTED.**

Fed.R.Civ.P 12(b)(6) specifically provides that the defense of "failure to state a claim upon which relief can be granted" may be made by motion. *Id.* A motion to dismiss for failure to state claim tests the legal sufficiency of the claims set out by the moving party. *Conley v. Gibson*, 355 U.S. 41, 46 (1957); *De La Cruz v. Tormey*, 582 F.2d 45, 48 (9th Cir.1978); TBMP § 503.02. Dismissal can be based on lack of legal theory or the absence of facts alleged under such a theory. *Informix Software, Inc. v. Oracle Corp.*, 927 F. Supp 1283, 1285, 40 U.S.P.Q.2d 1152, 1154 (N.D.Cal. 1996).

NexTep and BPI move to dismiss the Petition on the grounds that NexTep is the only proper party to the Cancellation proceeding. The Court may rectify the trademark register with respect to any party to the action pursuant to 15 U.S.C. § 1119. *Informix Software, Inc.*, 927 F.Supp at 1286, 40 U.S.P.Q.2d at 1155. Section 1119 provides that a cancellation proceeding should not progress without the owner of the trademark. *Id.* Therefore, a Court cannot cancel a trademark without the real party in interest before the court. *Id.*

BPI assigned all right, title and interest in the '243 Reg. on August 6, 2003 to NexTep and this assignment was recorded with the PTO before this Petition was filed. Francis Decl., § 3, Exhibit D. An assignment passes the entire interest of the assignor in the trademark to the assignee. *Jones v. Pepsi-Cola Co.*, 223 F.Supp 650, 653, 142 U.S.P.Q. 212, 213 (D.Neb. 1963). When rights are properly assigned, the assignor retains no rights in that which was assigned, and has no stake in the outcome of its litigation. *Proctor & Gamble, Co. v. Paragon Trade Brands, Inc.*, 917 F.Supp. 305, 312,

38 U.S.P.Q.2d 1678, 1684. Therefore, the assignee is the real party in interest for the purpose of litigation if he has some title, legal or equitable in the thing being assigned. *Premier Dental Products, Co. v. Darby Supply, Co.*, 794 F.2d 850, 854 (3<sup>rd</sup> Cir. 1986). Since the real party in interest is not before this Court, the Petitioner has not stated a claim for which relief can be granted, and the proceeding should be dismissed pursuant to Rule 12(b)(6).

**B. THE PETITION SHOULD BE DISMISSED FOR FAILURE TO JOIN AN INDISPENSABLE PARTY UNDER RULE 12(b)(7).**

F.R.C.P. 12(b)(7) permits a motion to dismiss under Rule 19 when there is an absent party without whom complete relief cannot be granted or whose interest in the dispute is such that to proceed in his absence might prejudice him or the parties already before the court. 5 *Wright & Miller, Federal Practice and Procedure*, § 1359. A motion to dismiss for failure to join an indispensable party requires the moving party to bear the burden of producing evidence in support of the motion. *Biagro Western Sales, Inc. v. Helena Chemical Co., Inc.*, 210 F.R.D. 487, 495 (S.D.N.Y. 2002). While there is no precise formula for determining whether a particular non-party is necessary to an action, the determination will be heavily influenced by the facts and circumstances of each case. *Johnson v. Chilkat Indian Village*, 457 F.Supp. 384, 387 (D.Alaska 1978).

Rule 19 provides a two part test for determining whether a court must dismiss an action for failure to join an indispensable party. *Holland v. Fahnestock & Co., Inc.*, 210 F.R.D. 487, 493 (S.D.N.Y. 2002). The first inquiry is whether a party is “necessary” within the meaning of Rule 19(a). *Id.* If the party is necessary and cannot be joined, the Court must then determine if the party is “indispensable,” within the meaning of Rule 19(b). *Id.* If a party is deemed indispensable, the case must be dismissed. *Burger King*

*Corp. v. Am. Nat'l Bank and Trust Co.*, 119 F.R.D. 672, 675 (N.D.Ill. 1988).

A necessary party is a party that is essential to the litigant's complete relief.

*Taylor v. Chater*, 907 F.Supp. 306, 309 (N.D.Ind.1995). Under Rule 19(a), two factors are analyzed to determine whether a party is necessary within the meaning of Rule 19(a). First, whether in the person's absence complete relief cannot be accorded among those already parties. *Holland*, 210 F.R.D. at 493-94. And secondly, whether the absent party claims an interest in the subject of the action such that in their absence is impaired or impedes the person's ability to protect that interest. *Id.*

If the absent party has a legally protected interest in the subject of the action, the party falls within the terms of Rule 19(a). *Burger King Corp.*, 119 F.R.D. at 675. As the assignee of the '243 Reg., NexTep is not only a necessary party, but the only party in interest. NexTep cannot protect its interests in the '243 Reg. in the subject Cancellation proceeding without being a named party. BPI, having assigned its trademark rights, has no remaining interest in this Cancellation proceeding and cannot properly protect the '243 Reg. on behalf of NexTep. Therefore, NexTep must be party to the proceeding in order to protect its interests.

Once a party is determined to be necessary pursuant to Rule 19(a), a court must determine if the party can be joined in the litigation. *Burger King Corp.*, 119 F.R.D. at 675. Joinder is not feasible in the instant case, as joinder would leave BPI as a named party, and BPI has no remaining ownership in the '243 Reg.

The Court may dismiss the action if joinder of the necessary party is not feasible, based on the analysis of the four factors set forth in Rule 19(b). *Id.* The following are the four factors, each addressed in turn, that are used to determine whether a necessary

party is so "indispensable" to the litigation that the court cannot "in equity and good conscience," proceed in his absence. *Id.* The Court has the discretion to weigh the following factors based on the individual circumstances of each case. *Id.*

1. To what extent a judgment rendered in the person's absence might be prejudicial to the person or those already parties.

Prejudice to the absent party does not require joinder if its interests are fully represented by the parties already present in the litigation. *Burger King Corp.*, at 678. Interests are fully represented by parties that have identical interests in the litigation. *Id.* In the instant case, NexTep's inability to protect itself will be severely prejudicial to NexTep since NexTep's rights are not represented by BPI. NexTep has complete ownership in the '243 Reg., and all rights once owned by BPI have been extinguished. Therefore, NexTep is an indispensable party and must be party to this Cancellation proceeding.

2. The extent to which, by protective provision in the judgment, by the shaping of relief or other measures, the prejudice can be lessened or avoided.

This factor examines whether this Court could shape its ruling to mitigate the prejudicial effect on the absent party. *Burger King Corp.*, at 679. In the instant case, the only way to mitigate the prejudicial effect on NexTep, would be to allow NexTep to represent its own interests in the Cancellation proceeding. Any decision affecting the regiterability of the '243 Reg., would greatly effect NexTep business. Therefore, NexTep is an indispensable party and must be party to the Cancellation proceeding.

3. Whether a judgment rendered in the person's absence will be adequate.

Judgment in the absence of NexTep will not be adequate since NexTep is the real

party in interest of the subject of this proceeding. Without the owner of the '243 Reg. representing its interests, judgment rendered concerning its registerability would be inadequate. Therefore, NexTep is an indispensable party and must be party to the Cancellation proceeding.

4. Whether the plaintiff will have an adequate remedy if the action is dismissed for non-joinder.

Petitioner would have had an adequate remedy if it would have named the real party in interest. Petitioner chose to play games by naming BPI rather than NexTep, and should pay for its decision.

The above factors demonstrate that NexTep is an indispensable party to this proceeding. Without NexTep as a named party in the proceeding, the proceeding must be dismissed.

**C. BPI SHOULD BE DISMISSED FROM THE CANCELLATION PROCEEDING**

BPI properly assigned all rights, title and interest in the '243 Reg. to NexTep on August 6, 2003. Once a right is properly assigned to an assignee, the assignor retains no further rights and has no stake in the outcome of the litigation. *Proctor & Gamble, Co.*, 917 F.Supp. at 312, 38 U.S.P.Q.2d at 1684. Since BPI retains no ownership interest in the '243 Reg., BPI should be dismissed from the Cancellation proceeding.

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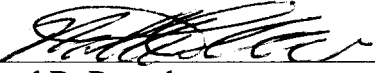
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## II. CONCLUSION

In light of the foregoing, Petitioner's Cancellation proceeding must be dismissed pursuant to Fed. R. Civ. P. 12(b)(6) and 12(b)(7).

Dated: 5/16/05

By: 

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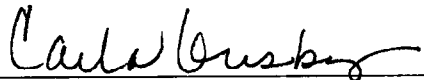


**CERTIFICATE OF SERVICE**

I certify that I am an employee of the Law Offices of Watson Rounds, a Professional Corporation, and on this day I deposited a true and correct copy in the United States mail, first class postage prepaid, of the within document entitled **Motion to Dismiss for Failure to State a Claim for Which Relief Can be Granted Pursuant to Fed.R.Civ.P. 12(b)(6) ; and Failure to Join an Indispensable Party Pursuant to Fed.R.Civ.P. 12(b)(7): Memorandum of Points and Authorities in Support Thereof**, addressed as follows:

Judith A. Powell  
James H. Sullivan  
Kilpatrick Stockton LLP  
Suite 2800  
1100 Peachtree Street  
Atlanta, Georgia 30309-4530

Dated: April 15, 2005

  
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Carla Ousby